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Seattle

June 3, 1941

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(2.3.297.1 VI)
06/03/1941

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Attention: Mr. W. G. Patterson, Manager

JUN 3 1941

This will acknowledge your letter of the 29th ult. with regard to the visits of Generals Lee and Somerville to your branch.

Please be advised that although we have submitted a proposal to the Government with regard to the purchase by the Government of our Seattle property, we have not yet received an acceptance thereof. Our offer to the Government required that it be accepted or declined within 30 days, so we should hear something definite in regard thereto very soon. As soon as we do, we will let you know.

When we submitted the property to the Government we included the following paragraphs:

"This offer includes the equipment pertaining to the building such as plumbing, heating, sprinkler, lighting systems, and fire pumps, but does not include such items of equipment as stock racks, fire extinguishers, air compressors and receivers, conveyor and over equipment, and other personal property and equipment used in the automobile business whether fixed to the premises or not."

Our offer to the Government also specified that upon conveyance of the land to the Government we would give possession of the property to the Government "with the exception that Vendor will retain possession of approximately 30,000 square feet of floor space in the main building, with necessary railroad side track facilities, for a period of nine months after the date deed is delivered, the location of such space to be mutually agreed upon by the Vendor and the United States prior to closing. Vendor agrees to maintain such space, and to assume the cost of facilities and utilities applicable to the space so retained".

In accordance with telephone conversation had with you recently, we understand that you are looking around for a suitable site for our branch operations and that you are also asking the railroads to submit proposals with regard to the construction of a suitable building to be leased to us for our branch operations. We understand that you require a building area of approximately 90,000 to 100,000 square feet.

Seattle Branch Correspondence, 1941
Exec Ctr, Acc 46, Box 184

FT:IG

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CC Mr H L Wiesmeyer - Branch Equipment
CC Mr F D Bullock - Production Department
CC Mr H G Doss - General Sales Department

SEATTLE

June 10 1941

B-2

JUN 24 1941

Attention: Mr. W. C. Patterson, Manager

Confirming telephone conversation had with you last evening, would advise that we have received written advice from the Government that our offer to sell the Seattle property has been accepted. You stated that the Government officials were anxious to take over certain of the space in the Seattle building pending examination of title and delivery of the deed, and this will confirm that we have no objection to this so long as your branch operations are not interfered with.

As previously advised you, we are not required to give possession of the property until delivery of the deed, and even then we are entitled to withhold delivery of 60,000 square feet of space in the main building, with railroad facilities, for a period of 9 months. In due course it will be necessary that the Branch Engineering Department give you disposition of all of the equipment and personnel now on the premises, and Mr. Wiesmyer states this morning that he expects soonest to be at your branch probably next week to supervise the work of removal.

We have your letter of June 4 wherein you advise that the Union Pacific Railroad would be willing to build a building containing approximately 90,000 square feet of space for our use provided we would leave the building at railroad's cost plus 2% depreciation and plus 5% on the railroad's investment in the land and buildings. We believe the company would be willing to consider a proposition of this nature provided we would not be required to sign a lease for a longer period of time than 5 years, and provided also that a maximum cost price would be agreed upon. In other words, we would not want to make a lease with the railroad with the expectancy that the cost of the building would be about \$250,000 and then find out later on that it cost over \$300,000.

The figures in the typical rental setup which you submitted with your letter indicates a rental of 27¢ per square foot of building space per year. A rental figure on approximately this basis would be satisfactory. It should not figure much more than that, with railroad and all other facilities. As you know, Boeing Aircraft only offered us 25¢ per square foot per year for our building. It would be better, of course, if suitable building facilities could be had at an annual rental to us of 25¢ per square foot.

Branch Correspondence, 1941,
Exec. Gr., Acc. 46, Box 184

SEATTLE

June 10 1941

Page 2

B-2

We assume that you are looking around for available buildings
which we could use and that you will submit them to us with all details
in connection therewith at an early date.

SECRETARIALS OFFICE

PT:IG

CC: Murray H. L. Wissner - Branch Equipment

H. C. Doss - General Sales Manager

F. P. Mallock - Production Dept

Seattle Branch Correspondence, 1941,
Exec. Gen., Acc. 46, Box 181